Taipei, July 1, 1953.

MEMORANDUM OF CONVERSATION

Participants: President CHIANG Kai-shek
Foreign Minister George K. C. YEH
Ambassador K. L. RANKIN
Interpreter Sampson SHEN

BERMUDA CONFERENCE

As this morning marked my first meeting with President Chiang since returning from consultation in the Department on June 20, I began by expressing my pleasure at being back in Taipei.

Next I gave him the substance of two messages which the Embassy had received from the Department, one (June 24) assuring the Chinese Government that at the prospective Bermuda Conference no decisions would be taken directly affecting the interests of friendly powers not represented at the Conference without consulting them. The second message (June 12), of which I gave the President a paraphrase, was a circular to all of our missions abroad outlining the support we intend to give continued Chinese Nationalist representation in UN bodies and instructing them to seek the views of each government concerned.

KOREAN SITUATION AND RHEE'S INTRANSIGENCE

I then referred to the Department's telegram of June 24 regarding the possible effect on US-Formosa policy of President Rhee's continued intransigence to a point where the non-Korean UN forces would be withdrawn. I said that the subject was an extremely sensitive one in Washington; I suggested that President Chiang consider the Secretary's message in this light and the possible consequent reconsideration of US-Formosa policy not as a threat but as a simple statement of fact. Obviously, many angles of U.S. policy toward the Far East would have to be reconsidered in the event of a disaster in Korea. One conceivable result might be a substantial increase in aid to Formosa. (The President evidently was hurt and annoyed by what seemed to him a threat to withdraw support from Formosa because of his supposed backing of Rhee, when actually he had not supported or even been in touch with Rhee and considered that he had exercised extraordinary restraint in avoiding public statements.)

With further reference to the recent exchanges of letters between President EISENHOWER and President Chiang, I said that I

assumed he might consider Eisenhower's letter of June 24 as replying to Chiang's of June 23*, as well as to that of June 7, since it set forth the American attitude toward the question of a security pact for Korea in which the U.S. might participate.

I then went on to describe various experiences during my trip to Washington. I had conveyed President Chiang's message to President Eisenhower orally, setting forth the wisdom of seeking a simple solution in a complex situation such as existed at present, together with Chiang's conviction that the liberation of Mainland China from communism is the only solution to the problems of Asia. I said that Eisenhower had told me to say to President Chiang that he had China very much in mind and was fully aware of its importance in the general situation.

U.S. MILITARY AND ECONOMIC AID TO FORMOSA

Next I said that prospects seemed good for the accelerated shipment of military equipment and supplies, as the recent initial arrival of jet aircraft had indicated. As to the Chinese Government's recent proposals for substantially increased "economic" assistance, that is, aid not military in itself but very largely for the purpose of supporting the military program, I thought it useful that the Chinese Government had undertaken to prepare such proposals. I hoped that they would continue to do so in the future. At the present moment, however, Washington's preoccupation with Korea and the current economy drive in Congress made it impractical to press for increased aid to Formosa. A few months hence, perhaps, particularly if it were decided in the meantime to increase our purely military program here, there should be a possibility of obtaining larger "economic" aid, I said. The necessity of increasing the latter even to maintain our present military program was an obvious fact which I had emphasized to all and sundry in Washington.

I was glad to report that I had been able to assist in obtaining $8 million to care for the repatriates from Indo-China and the urgently needed airport facilities for the Chinese Air Force in connection with the arrival of jet aircraft.

U.S. SUPPORT OF "THIRD FORCE"

Next I remarked that memoranda at the Embassy mentioned recent conversations between President Chiang and Admiral RADFORD regarding U.S. support to the so-called Third Force. I had been working on this matter during the past year and my recent talks in Washington suggested that progress had been made. All along I had urged that current U.S. policy toward the Chinese Third Force should be reduced

*President Eisenhower's reply to the second letter was received four hours after this conversation took place.

to writing, in concise form, and that the gist of this be communicated to the Chinese Government as a means of allaying suspicion. The primary purpose of this approach, however, was to clarify thinking, and it now appeared possible that our support for the so-called Third Force would be discontinued. At this point, I remarked that President Chiang might have received exaggerated reports of the present scope of such support. Actually it was now on a modest scale, directed at obtaining intelligence. It was possible that the President would be approached in the near future with a request to assist in liquidating this effort by receiving on Formosa any Chinese members of the Third Force who wished to come here and who had committed no crime. He replied that he would be glad to do this.

CHINESE TROOPS IN BURMA

I then asked that the President direct General Li Mi to send specific instructions to his subordinates in Bangkok to cooperate fully with Colonel I Fu-te in reaching constructive agreement with the Burmese, etc. Reports indicated that they were arguing "legal" points and indulging in other delaying tactics, as well as talking unhelpfully to the press. He promised to do as I asked.

U.S. PUBLIC OPINION ON "POLICE STATE" ASPECTS OF FORMOSA

Turning to a more general theme, I remarked that a majority of public opinion in the United States continued favorably disposed toward the Chinese Government, as far as my observation went. However, it should not be assumed that the coming into power of a Republican administration was necessarily a net gain for Free China. In some respects it was; in others it might not be. The Chinese Government undoubtedly had benefited in various ways, particularly since 1950, from the fact that support for Free China had been a domestic political issue in the United States. But the Republicans who had favored all-out aid under a Democratic administration might tend to be more conservative and restrained now that their party was in power.

I thought it particularly important, therefore, that we should give close attention to reports circulating in the United States which tended to undermine the reputation of the Chinese Government. During my recent visit I had heard frequent unfavorable references to the "police state" methods supposed to be operative in Formosa. I had heard that the labor union movement was reported to have been taken completely under government control. With reference to restrictions on entry and exit, I had heard Formosa compared unfavorably with Soviet Russia, now that the latter had eased certain restrictions. Of course, I said, these reports are not strictly true. But most people judge by individual cases or reports which come to their attention, not as a result of detailed, factual studies of the situation. All of this, I said, was most important as it influenced American public opinion and, hence, the prospects

for future support for Free China.

COLONEL BARRETT VISA CASE

Then I cited a case in point which was affecting Free China's reputation in the United States: that of Colonel David D. BARRETT, former Army Attache to the American Embassy. I had discussed this case with various members of the Chinese Government and now, unpleasant though the subject was, I felt that I should bring it to the President's attention. I explained that Colonel Barrett had been retired from the U.S. Army last August and had intended to return to Taipei and live here privately on his pension. He had bought a small house in Taipei for this purpose. But the Chinese Government had refused him a visa and would give no explanation for its action. I noted that Barrett was well known among many Americans who had China connections, and that while in Washington I had been asked frequently, in the Department, at the Pentagon and elsewhere, why Barrett was being excluded from Formosa and whether I had seen President Chiang about it. I said that it seemed unnecessary to go into details, since the President undoubtedly was familiar with the case, but that both on behalf of Colonel Barrett personally and in the interest of Free China's reputation in the U.S. I urged that he be admitted. I was not asking for an immediate reply, but if it would facilitate matters I would propose that Barrett be allowed to live in Formosa as a personal favor to me.

In reply the President said that he had known Barrett for many years. When Nelson JOHNSON was Ambassador to China and Barrett was his military attache, word came from Washington that the latter was about to be transferred to another post. Colonel Barrett, supported by his Ambassador, had requested that Chiang put in a word for him so that he might stay on. The President did so, through Johnson, and the transfer was averted. President Chiang then remarked that he would do more for me than he would ever have done for Johnson. He asked me to believe that he had good reason for excluding Barrett now, although he could not give me the specific reason. If it should become possible to admit him later, the President would inform me.

I said that it was difficult to pursue the matter without knowing the reason for Barrett's being refused a visa. No doubt the President had received reports on him from various sources. I said that the Chinese doubtless had the same experiences as ourselves with intelligence reports. To make themselves important and interesting, the sources were prone to exaggeration. In fact, I had reason to believe that certain reports about Barrett which presumably had reached the President were quite simply untrue. I renewed my request for favorable consideration, but he had nothing further to say. (Subsequently, the Foreign Minister told me that the President's language and tone regarding Barrett were somewhat more favorable than the interpreter had represented. He had even made some remark about the possibility of favorable action in two or three months.)

The President then began a lengthy discussion of the Korean situation, about which I told him that I had little first-hand knowledge. He asked me to convey the views he was outlining to the Department, and in the interest of accuracy I later asked the Foreign Minister to summarize them for me in writing. He did so and they are being telegraphed to the Department substantially as received from him.

NOTE

The Foreign Minister took no active part in the conversation other than to assist the interpreter in clarifying various points.